

## **Section III - 5**

### **Limited Purpose CRADAs - Explanation**

#### **Guidance for Use Department of the Navy Limited Purpose Cooperative Research and Development Agreement for Equipment or Material Transfer**

##### **Statutory Authority and Purpose**

Under authority of the U.S. Federal Technology Transfer Act of 1986 (Public Law 99-502, 20 October 1986, as amended) a Department of the Navy Collaborator and a Non-Navy Collaborator may enter into a Cooperative Research and Development Agreement (CRADA). These Limited Purpose CRADAs (LP-CRADA) are restricted to the exchange of existing equipment or material that the Collaborators need for their own research, test, evaluation, development or engineering activities. There is no joint work performed under the LP-CRADAs, but there is a mutual interest in the results. Data and intellectual property of the Collaborators is protected.

These LP-CRADAs are not a substitute for a Work-for-Others Agreement. A Work-for-Others Agreement is used where a working capital fund laboratory is willing to provide an existing product, material or service without competing with the private sector. The working capital fund laboratory is not interested in the research outcome.

These LP-CRADAs are to be used when a laboratory and Non-Navy Collaborator both have an interest in the research outcome. A report to all collaborators on the results of the research is required. The key is that the Provider has equipment or material that the parties want evaluated or used by the Recipient. Acceptable collaborative purposes include determining suitability of the equipment or material for Recipient's purpose or to determine if there is mutual interest or need for a more formal CRADA, a patent license agreement or procurement.

Please consult with your laboratory's attorney to be sure you are selecting the proper business instrument.

##### **Appropriate Non-Navy Collaborators**

The U.S. Federal Technology Transfer Act of 1986, as amended, provides for making the expertise, capabilities, and technologies of U.S. Federal laboratories accessible to other Federal agencies; units of State or local government; industrial organizations (including corporations, partnerships, limited partnerships, and industrial development organizations); public and private foundations; nonprofit organizations (including universities); or other persons; in order to improve the economic, environmental, and social well-being of the United States by stimulating utilization of U.S. Federally funded technology developments and/or capabilities in the U.S.

##### **Navy Model Agreements**

Two model agreements are included with this Guidance. One for bringing "things" in and one for sending "things" out. The first model agreement, Model #1, describes the transfer of equipment or material from a Navy Provider out to a Non-Navy Recipient; the second model agreement, Model #2, describes the transfer of equipment or material from a Non-Navy Provider to a Navy Recipient.

If training is needed to operate the equipment or perform a specific test, the Provider must conduct the training, including on-site training, if necessary.

### **Funding Options**

A Department of Navy laboratory as defined by the U.S. Federal Technology Transfer Act of 1986, as amended, may not issue funds to the Non-Navy Collaborator under a LP-CRADA, but the Navy laboratory may receive funds from the Non-Navy Collaborator.

Payment of shipping will depend on each specific circumstance and should be closely coordinated with both the laboratory comptroller and general attorney.

### **Non-Disclosure Agreement**

If a Non-Disclosure Agreement (NDA) is used for the performance of an LP-CRADA, the laboratory's intellectual property or general attorney should be involved in the preparation or review of the NDA. Examples of Non-Disclosure Agreements can be found in Section IV - 1 of this document.

### **Liability**

When the U.S. Government is the Recipient, liability for the loss or destruction of equipment or material that was to be returned to the Provider is still limited by the Federal Tort Claims Act (FTCA). The Government may agree in advance on a maximum settlement value to any liability action allowed under the FTCA. When the Recipient is the Non-Navy Collaborator, the Recipient agrees to assume all risks, direct or consequential, from their use, storage and/or disposal of the equipment or material.

### **Legal Review**

Legal review is obtained at the laboratory to ensure compliance with the laboratory's mission, statutes, regulations, instructions and executive directives. If the model LP-CRADA is changed, the modification is noted and a written explanation of its necessity is to be provided by local legal counsel and is included with the Agreement when it is forwarded to ONR.

### **Signature Process**

As with any Navy CRADA, the signature process is in accordance with SECNAVINST 5700.16A dated 7 March 2000. Specifically, the laboratory commanding officer has the authority to enter into a CRADA and sign such Agreements for the DON provided that the requirements of SECNAVINST 5700.16A are met.

### **Actions After Signature**

A hardcopy and an electronic copy of the signed LP-CRADA, along with any other supporting documents, should be forwarded to ONR at the following address:

Office of Naval Research  
Technology Transfer Program, Code 03T5B  
875 North Randolph Street  
Arlington, VA 22203-1995

The manager of the Office of Research and Technology Applications (ORTA) at each laboratory is to enter information on the LP-CRADA into the Defense Technology Transfer Information System (DTTIS) database within thirty (30) days after the LP-CRADA has been signed.

The DTTIS database provides ONR with a record of the activities carried out pursuant to each LP-CRADA sufficient to support discussion and evaluation of the LP-CRADAs in terms of their stimulation of productivity, technology and innovation. This information is included in the triennial report by the Secretary of Commerce to Congress.

The ORTA manager is to also include information on LP-CRADAs in the annual technology transfer business plan submitted to ONR as required by the Department of Defense.

### **ONR Consultation**

Please direct inquiries to Ms. Dottie Vincent at 703-696-4792 or e-mail at [dorothy.vincent@navy.mil](mailto:dorothy.vincent@navy.mil).

A LIMITED PURPOSE  
COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENT (LP-CRADA)  
FOR EQUIPMENT OR MATERIAL TRANSFER  
(FROM NAVY PROVIDER TO NON-NAVY RECIPIENT)

FROM

**[NAVY PROVIDER]**

TO

**[NON-NAVY RECIPIENT]**

AGREEMENT NUMBER: LP-CRADA-**[Navy Org.]**-**[last two digits of CY]**-**[serial number]**

AGREEMENT ADMINISTRATORS:

**[NAVY PROVIDER]**

Technology Transfer Office

Point of Contact: **[insert name, organizational code, telephone number]**

Legal Counsel: **[insert name, organization code, telephone number]**

**[NON-NAVY RECIPIENT]**

Preferred Contact: **[insert name, telephone number]**

Legal Counsel **[Optional]**: **[insert name, telephone number]**

A LIMITED PURPOSE  
COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENT (LP-CRADA)  
FOR EQUIPMENT OR MATERIAL TRANSFER  
(FROM NAVY PROVIDER TO NON-NAVY RECIPIENT)

PREAMBLE

Under authority of the U.S. Federal Technology Transfer Act of 1986 (Public Law 99-502, 20 October 1986, as amended), the Department of Navy Collaborator (PROVIDER) and Non-Navy Collaborator (RECIPIENT) described below agree and enter into this Limited Purpose Cooperative Research and Development Agreement (LP-CRADA) to transfer **[choose one: EQUIPMENT or MATERIAL]** according to the clauses and conditions and for the term and duration set in this Agreement.

The PROVIDER is **[state full name and address of Navy Collaborator]**, a Federal laboratory of the United States Department of Navy wholly owned by the U.S. Government whose substantial purpose is the performance of research, development or engineering.

The RECIPIENT is **[name and address of Non-Navy Collaborator]**, a corporation **[substitute appropriate alternate language for a different entity, e.g., a University]** duly organized, validly existing and in good standing under the laws of the **[State or Commonwealth]** of **[indicate name]**. The RECIPIENT **[is/is not]** a small business as defined in 15 USC 632 and implementing regulations (13 CFR 121.101 et seq.) of the Administrator of the Small Business Administration. Further, the RECIPIENT **[is/is not]** directly or indirectly controlled by a foreign company or government (Executive Order 12591, Section 4 (a)) as of the effective date of this Agreement.

Article 1. **[EQUIPMENT/MATERIAL] TO BE TRANSFERRED:**

PROVIDER owns, controls, or otherwise has all rights in **[describe the EQUIPMENT/MATERIAL being transferred]**, hereafter **[EQUIPMENT/MATERIAL]**. PROVIDER has the right to and will transfer **[insert quantity]** of **[EQUIPMENT/MATERIAL]** within **[insert time frame]** to RECIPIENT for the conduct of the research, tests, evaluation, development or engineering efforts and purposes stated below.

Article 2. **PURPOSE FOR TRANSFER (PURPOSE):**

(a) RECIPIENT agrees that it will use the **[EQUIPMENT/MATERIAL]** solely for **[describe project and state intended use]** (PURPOSE) under the direction and control of RECIPIENT's Principal Investigator (PI), **[insert name]**, and will follow the United States Federal statutes, rules and regulations controlling the handling and use of research equipment and/or materials of the type described as the **[EQUIPMENT/MATERIAL]**, as applicable. RECIPIENT agrees that it will not use the **[EQUIPMENT/MATERIAL]** for any commercial or production purposes. This Agreement does not constitute or create a joint venture, partnership or formal business entity of any kind.

(b) This Agreement is not a license in Government Intellectual Property including patents or patent applications except for the limited PURPOSE stated. This Agreement shall not be interpreted to alter any pre-existing rights to the **[EQUIPMENT/MATERIAL]**. PROVIDER reserves the right to provide the **[EQUIPMENT/MATERIAL]** to others. RECIPIENT agrees not to produce, modify or duplicate the **[EQUIPMENT/MATERIAL]** for any purpose unless that intention is stated as part of the research PURPOSE, subparagraph 2(a) supra.

(c) If RECIPIENT desires to use the **[EQUIPMENT/MATERIAL]** for purposes other than the PURPOSE, RECIPIENT agrees, before beginning any such use, to negotiate a full CRADA and/or a license for any patent or other intellectual property, specific for that use, in good faith with PROVIDER as provided by Federal law. It is understood by RECIPIENT that PROVIDER shall have no obligation to grant such a license or enter into a CRADA with RECIPIENT, and may grant exclusive or non-exclusive commercial licenses to others as provided by law.

Article 3. **PROPRIETARY INFORMATION:**

RECIPIENT agrees to protect PROVIDER's information protected by 35 USC 205 in the same manner in which it protects its own PROPRIETARY INFORMATION. The Parties shall confer and agree what information created by the Navy PROVIDER shall be designated RESTRICTED ACCESS INFORMATION. RECIPIENT will treat RESTRICTED ACCESS INFORMATION in a manner equivalent to the manner the Government treats PROPRIETARY INFORMATION. It is RECIPIENT's responsibility to properly identify all PROPRIETARY INFORMATION.

"PROPRIETARY INFORMATION" means information that embodies trade secrets developed at private expense or business, commercial, or financial information that is privileged or confidential provided that such information: (a) is not known or available from other sources without obligations concerning its confidentiality; (b) has not been made available by the owners to others without obligation concerning its confidentiality; (c) is not already available to the Government without obligation concerning its confidentiality; and (d) has not been developed independently by persons who have had no access to the information.

"RESTRICTED ACCESS INFORMATION" means Subject Data generated by Navy Collaborator that would be Proprietary Information if the information had been obtained from a non-Federal Collaborator participating in a CRADA (15 USC 3710a). Under 15 USC, Section 3710a(c)(7)(B) the Collaborators mutually may agree to provide appropriate protection to Subject Data generated by the Navy Collaborator (Restricted Access Information) against public dissemination or release under the Freedom of Information Act (FOIA) for a period of up to five (5) years after development of the Information. PROVIDER and RECIPIENT will designate all RESTRICTED ACCESS INFORMATION.

"Subject Data" means that Data first recorded in the performance of the Cooperative Work.

"DATA" means all recorded information of any kind regardless of the form or method of the recording, including computer software.

"Government" means the Government of the United States of America.

***[Insert the following language if a Nondisclosure Agreement is used: The attached Nondisclosure Agreement (Appendix A) is incorporated as part of this Agreement. If there is a conflict between the terms and conditions of Appendix A and this Agreement, this Agreement shall control except for time periods].***

Article 4. **PUBLICATIONS:**

RECIPIENT agrees to provide appropriate acknowledgement of the source of the **[EQUIPMENT/MATERIAL]** in all publications. PROVIDER and RECIPIENT agree to confer and consult to provide a reasonable review period **[optional: insert time limit]** prior to the publication or presentation of DATA regarding the **[EQUIPMENT/MATERIAL]** to assure that no Proprietary or otherwise protected information is released and that patent rights are protected. Publication and/or presentation will be delayed for a reasonable time to afford needed protection. The RECIPIENT shall provide a report of the research results to the PROVIDER within **[insert number of days]** days from the testing of the **[EQUIPMENT/MATERIAL]**.

Article 5. **WARRANTY:**

RECIPIENT agrees that PROVIDER makes no representations and extends no warranty of any kind, either expressed or implied regarding the **[EQUIPMENT/MATERIAL]**. There are no expressed or implied warranties of merchantability or fitness for a particular purpose, or that the use of **[EQUIPMENT/MATERIAL]** will not infringe any patent, copyright, trademark, or other rights.

Article 6. **LIABILITY:**

RECIPIENT agrees to assume all risks, direct or consequential, from their use, storage and/or disposal of the **[EQUIPMENT/MATERIAL]**. RECIPIENT agrees to defend, indemnify, and hold harmless PROVIDER from any loss, claim, damage, or liability, of any kind, which may arise from their use, storage or disposal of the **[EQUIPMENT/MATERIAL]**. PROVIDER's entire liability is as stated in the Federal Tort Claims Act, Section 2671 *et seq.*

Article 7. **RETURN OF [EQUIPMENT/MATERIAL]:**

RECIPIENT agrees that any and all **[EQUIPMENT/MATERIAL]** and information regarding this **[EQUIPMENT/MATERIAL]** received from PROVIDER, including copies of information, shall remain the property of PROVIDER. These items will be promptly returned or destroyed at the termination of this Agreement in accordance with the directions of the PROVIDER. All requests and responses must be in writing. The **[EQUIPMENT/MATERIAL]** and information will be returned at no expense to the PROVIDER.

Article 8. **PRE-EXISTING INTELLECTUAL PROPERTY RIGHTS:**

Except as expressly provided in this Agreement, no rights are provided to RECIPIENT under any pre-existing patents, patent applications, protected information or other intellectual property of PROVIDER.

Article 9. **INVENTION LICENSE:**

The RECIPIENT shall retain title to any Invention of its employees made in the performance of the PURPOSE. RECIPIENT shall notify PROVIDER of the receipt of any Invention disclosure regarding use or modification of the **[EQUIPMENT/MATERIAL]**. RECIPIENT grants the Government a nonexclusive, irrevocable, paid-up license to practice the Invention, or have the Invention practiced throughout the world by or on behalf of the Government. Upon request, RECIPIENT shall give the Government a written instrument, prepared in a form satisfactory to the Government confirming such rights as appropriate. "Invention" means any invention or discovery which is or may be patentable under Title 35 of the United States Code.

“Patent Application” means U.S. or foreign patent application, continuation, continuation-in-part, divisional, reissue and/or reexamination on any Invention.

Article 10. **DELIVERY:**

It is agreed that the PROVIDER will deliver the **[EQUIPMENT/MATERIAL]** upon execution of this Agreement to the RECIPIENT within **[insert number]** days from the effective date of this Agreement.

Article 11. **DURATION:**

This Agreement will terminate on the earliest of the following dates:

- (1) upon completion of RECIPIENT's proposed research studies with the **[EQUIPMENT/MATERIAL]**, or
- (2) upon thirty (30) days written notice by either Collaborator to the other, or
- (3) **[insert time, not to exceed three (3) years]** from the effective date of this Agreement.

Article 12. **AMENDMENT:**

This Agreement can be amended only by a written amendment mutually agreed to and signed by the Agreement signatories or their successors.

Article 13. **ENTIRE AGREEMENT:**

This Agreement is the entire Agreement between the Collaborators concerning the PURPOSE and supersedes any prior understanding or written or oral agreement relative to the PURPOSE.

Article 14. **GOVERNING LAW:**

United States Federal Law shall govern this Agreement for all purposes.

Article 15. **FUNDS:**

It is agreed and understood that the **[EQUIPMENT/MATERIAL]** is furnished and the Agreement is entered into at no cost to the PROVIDER.

No funds are transferred under this Agreement from the Navy PROVIDER to the Non-Navy RECIPIENT.

***[If funds are transferred from Non-Navy Recipient to Navy Provider, specify amount and instructions for delivery of funds].***

Checks will be payable to:

***[Do not specify an individual by name but rather an organization that has the requisite authority to receive funds for the Navy].***



Checks will be mailed to:

***[Specify address, including the name of the authorized recipient, title, and appropriate organizational code].***

Article 16. **TITLE:**

Each Collaborator shall retain title to all tangible property to which it had title prior to the effective date of this Agreement.

Article 17. **USE OF NAME OR ENDORSEMENTS:**

RECIPIENT shall not use the name of the PROVIDER or any other Government entity on any product or service that is directly or indirectly related to this Agreement without the prior approval of PROVIDER.

Article 18. **PUBLIC RELEASE OF THIS AGREEMENT:**

This Agreement document is releasable to the public.

Article 19. **EFFECTIVE DATE:**

The effective date of this Agreement is the date of execution by the last to sign for the DURATION set in Article 11.

Article 20. **NOTICES:**

All notices will be sent to the Agreement administrators or their successors at the addresses shown in the PREAMBLE.

Article 21. **SURVIVING PROVISIONS:**

All the Articles of this Agreement shall survive its termination.

Article 22. **SIGNATURES:**

Accepted for RECIPIENT:

I, the undersigned, am duly authorized to bind **[NON-NAVY RECIPIENT]** to this Agreement and do so by affixing my signature hereto.

Entered into this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_\_\_.  
(month)

By: \_\_\_\_\_

Name:

Title:

Accepted for PROVIDER:, the undersigned, am duly authorized to bind **[NAVY PROVIDER]** to this Agreement and do so by affixing my signature hereto.

Entered into this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_.  
(month)

By: \_\_\_\_\_

Name:

Title:

Naval Organization:

A LIMITED PURPOSE  
COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENT (LP-CRADA)  
FOR EQUIPMENT OR MATERIAL TRANSFER  
(FROM NON-NAVY PROVIDER TO NAVY RECIPIENT)

FROM

**[NON-NAVY PROVIDER]**

TO

**[NAVY RECIPIENT]**

AGREEMENT NUMBER: LP-CRADA-[Navy Org.]-[last two digits of CY]-[serial number]

AGREEMENT ADMINISTRATORS:

**[NON-NAVY PROVIDER]**

Preferred Contact: **[insert name, telephone number]**

Legal Counsel **[Optional]**: **[insert name, telephone number]**

**[NAVY RECIPIENT]**

Technology Transfer Office  
Point of Contact: **[insert name, organizational code, telephone number]**

Legal Counsel: **[insert name, organization code, telephone number]**

A LIMITED PURPOSE  
COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENT (LP-CRADA)  
FOR EQUIPMENT OR MATERIAL TRANSFER  
(FROM NON-NAVY PROVIDER TO NAVY RECIPIENT)

PREAMBLE

Under authority of the U.S. Federal Technology Transfer Act of 1986 (Public Law 99-502, 20 October 1986, as amended), the Non-Navy Collaborator (PROVIDER) and Department of Navy Collaborator (RECIPIENT) described below agree and enter into this Limited Purpose Cooperative Research and Development Agreement (LP-CRADA) to transfer **[choose one: EQUIPMENT or MATERIAL]** according to the clauses and conditions and for the term and duration set in this Agreement.

The PROVIDER is **[name and address of Non-Navy Collaborator]**, a corporation **[substitute appropriate alternate language for a different entity, e.g., a University]** duly organized, validly existing and in good standing under the laws of the **[State or Commonwealth]** of **[indicate name]**. The PROVIDER **[is/is not]** a small business as defined in 15 USC 632 and implementing regulations (13 CFR 121.101 et seq.) of the Administrator of the Small Business Administration. Further, the PROVIDER **[is/is not]** directly or indirectly controlled by a foreign company or government (Executive Order 12591, Section 4 (a)) as of the effective date of this Agreement.

The RECIPIENT is the **[state full name and address of Navy Collaborator]**, a Federal laboratory of the United States Department of Navy wholly owned by the U.S. Government whose substantial purpose is the performance of research, development or engineering.

Article 1. **[EQUIPMENT/MATERIAL] TO BE TRANSFERRED:**

PROVIDER owns, controls, or otherwise has all rights in **[describe the EQUIPMENT/MATERIAL being transferred]** hereafter **[EQUIPMENT/MATERIAL]**. PROVIDER has the right to and will transfer **[insert quantity]** of **[EQUIPMENT/MATERIAL]** within **[insert time frame]** to RECIPIENT for the conduct of the research, tests, evaluation, development or engineering efforts and purposes stated below.

Article 2. **PURPOSE FOR TRANSFER (PURPOSE):**

RECIPIENT agrees that it will use the **[EQUIPMENT/MATERIAL]** solely for **[describe project and state intended use]** (PURPOSE) under the direction and control of RECIPIENT's Principal Investigator (PI), **[insert name]**, and will follow the United States Federal statutes, rules and regulations controlling the handling and use of research equipment and/or materials of the type described as the **[EQUIPMENT/MATERIAL]**, as applicable. The PURPOSE is consistent with the mission of the RECIPIENT. In addition, RECIPIENT agrees that it will not use the **[EQUIPMENT/MATERIAL]** for any production purposes. This Agreement does not constitute or create a joint venture, partnership or formal business entity of any kind.

Article 3.     **PROPRIETARY INFORMATION:**

RECIPIENT agrees that it will not use PROVIDER's properly marked PROPRIETARY INFORMATION without prior written consent except for the PURPOSE. The Parties shall confer and agree what information created by the Navy RECIPIENT shall be designated RESTRICTED ACCESS INFORMATION. PROVIDER will treat RESTRICTED ACCESS INFORMATION in a manner equivalent to the manner the Government treats PROPRIETARY INFORMATION. It is PROVIDER's responsibility to properly identify all PROPRIETARY INFORMATION.

"PROPRIETARY INFORMATION" means information that embodies trade secrets developed at private expense or business, commercial, or financial information that is privileged or confidential provided that such information: (a) is not known or available from other sources without obligations concerning its confidentiality; (b) has not been made available by the owners to others without obligation concerning its confidentiality; (c) is not already available to the Government without obligation concerning its confidentiality; and (d) has not been developed independently by persons who have had no access to the information.

"RESTRICTED ACCESS INFORMATION" means Subject Data generated by Navy Collaborator that would be Proprietary Information if the information had been obtained from a Non-Federal Collaborator participating in a CRADA (15 USC 3710a). Under 15 USC, Section 3710a(c)(7)(B) the Collaborators mutually may agree to provide appropriate protection to Subject Data generated by the Navy Collaborator (Restricted Access Information) against public dissemination or release under the Freedom of Information Act (FOIA) for a period of up to five (5) years after development of the Information. PROVIDER and RECIPIENT will designate all RESTRICTED ACCESS INFORMATION.

"Subject Data" means that Data first recorded in the performance of the Cooperative Work.

"DATA" means all recorded information of any kind regardless of the form or method of the recording, including computer software.

"Government" means the Government of the United States of America.

***[Insert the following language if a Nondisclosure Agreement is used: The attached Nondisclosure Agreement (Appendix A) is incorporated as part of this Agreement. If there is a conflict between the terms and conditions of Appendix A and this Agreement, this Agreement shall control except for time periods].***

Article 4.     **PUBLICATIONS:**

Publication of DATA is of prime interest to the RECIPIENT and this Agreement shall not be interpreted to prevent or unreasonably delay publication of research resulting from the use of the **[EQUIPMENT/MATERIAL]** or modifications of the **[EQUIPMENT/MATERIAL]**. RECIPIENT agrees to provide appropriate acknowledgement of the source of the **[EQUIPMENT/MATERIAL]** in all publications. PROVIDER and RECIPIENT agree to confer and consult to provide a reasonable review period **[optional: insert time limit]** prior to the publication or presentation of DATA regarding the **[EQUIPMENT/MATERIAL]** to assure that no PROPRIETARY INFORMATION or RESTRICTED ACCESS INFORMATION is released and that patent rights are protected. Publication and/or presentation will be delayed for a reasonable time to afford needed protection. If the research is not published, the RECIPIENT shall provide a report of the research results to the PROVIDER.

Article 5.     **WARRANTY:**

RECIPIENT agrees that PROVIDER makes no representations and extends no warranty of any kind, either expressed or implied regarding the **[EQUIPMENT/MATERIAL]**. There are no expressed or implied warranties of merchantability or fitness for a particular purpose, or that the use of the **[EQUIPMENT/MATERIAL]** will not infringe any patent, copyright, trademark, or other rights.

Article 6.     **LIABILITY:**

RECIPIENT shall be liable for damage to the **[EQUIPMENT/MATERIAL]** resulting from RECIPIENT's fault or negligence in accordance with Federal Law, excepting ordinary wear and tear occasioned by normal and ordinary usage. In no event shall RECIPIENT be liable for such wear and tear associated with the usage of the **[EQUIPMENT/MATERIAL]** or for loss, damage, or destruction prior to delivery of the **[EQUIPMENT/MATERIAL]** to the RECIPIENT. **[Optional: In the event of loss or irreparable damage to the [EQUIPMENT/MATERIAL], RECIPIENT'S maximum liability shall not exceed [insert dollar amount]].** PROVIDER agrees to defend, indemnify, and hold harmless RECIPIENT from any loss, claim, damage, or liability, of any kind, which may arise from PROVIDER's use, storage or disposal of the **[EQUIPMENT/MATERIAL]**. RECIPIENT's entire liability is as stated in the Federal Tort Claims Act, Section 2671 *et seq.*

Article 7.     **RETURN OF [EQUIPMENT/MATERIAL]:**

RECIPIENT agrees that any and all **[EQUIPMENT/MATERIAL]** and PROPRIETARY INFORMATION regarding this **[EQUIPMENT/MATERIAL]** received from PROVIDER, and any copies of information, including PROPRIETARY INFORMATION, shall remain the property of PROVIDER. These items will be promptly returned or destroyed at the termination of this Agreement in accordance with the directions of the PROVIDER. All requests and responses must be in writing. The **[EQUIPMENT/MATERIAL]** and information will be returned at no expense to the PROVIDER.

Article 8.     **PRE-EXISTING INTELLECTUAL PROPERTY RIGHTS:**

Except as expressly provided in this Agreement, no rights are provided to RECIPIENT under any pre-existing patents, patent applications, trade secrets or other intellectual property of PROVIDER.

Article 9.     **INVENTION LICENSE OPTION:**

RECIPIENT shall retain title to any Invention of its employees made in the performance of the PURPOSE. RECIPIENT shall notify PROVIDER of the receipt of any Invention disclosure regarding use or modification of the **[EQUIPMENT/MATERIAL]**. PROVIDER has a non-exclusive license to use any improvement made by Navy RECIPIENT. RECIPIENT gives PROVIDER the option, to be exercised within one hundred eighty (180) days after the filing of a Patent Application regarding the Invention, of acquiring an exclusive license in the Government's rights in any Invention. The exclusive license will be subject to a reasonable royalty. Any exclusive license granted by the Government in an invention is subject to the statutorily required reservation by the Government of a nonexclusive, irrevocable, paid-up license to practice the invention or have that invention practiced throughout the world by or on behalf of the Government.

"Invention" means any invention or discovery which is or may be patentable under Title 35 of the United States Code.

“Patent Application” means U.S. or foreign patent application, continuation, continuation-in-part, divisional, reissue and/or reexamination on any Invention.

Article 10. **DELIVERY:**

It is agreed that the PROVIDER will deliver the **[EQUIPMENT/MATERIAL]** upon execution of this Agreement to the RECIPIENT within **[insert number]** days from the effective date of this Agreement.

Article 11. **DURATION:**

This Agreement will terminate on the earliest of the following dates:

- (1) upon completion of RECIPIENT's proposed research studies with the **[EQUIPMENT/MATERIAL]**, or
- (2) upon thirty (30) days written notice by either Collaborator to the other, or
- (3) **[insert time, not to exceed three (3) years]** from the effective date of this Agreement.

Article 12. **AMENDMENT:**

This Agreement can be amended only by a written amendment mutually agreed to and signed by the Agreement signatories or their successors.

Article 13. **ENTIRE AGREEMENT:**

This Agreement is the entire Agreement between the Collaborators concerning the PURPOSE and supersedes any prior understanding or written or oral agreement relative to the PURPOSE.

Article 14. **GOVERNING LAW:**

United States Federal Law shall govern this Agreement for all purposes.

Article 15. **FUNDS:**

It is agreed and understood that the **[EQUIPMENT/MATERIAL]** is furnished and the Agreement is entered into at no cost to the RECIPIENT.

No funds are transferred under this Agreement from the Navy RECIPIENT to the Non-Navy PROVIDER.

***[If funds are transferred from Non-Navy Provider to Navy Recipient, specify amount and instructions for delivery of funds].***

Checks will be payable to:

***[Do not specify an individual by name but rather an organization that has the requisite authority to receive funds for the Navy].***

Checks will be mailed to:

***[Specify address, including the name of the authorized recipient, title, and appropriate organizational code].***

Article 16. **TITLE:**

Each Collaborator shall retain title to all tangible property to which it had title prior to the effective date of this Agreement.

Article 17. **USE OF NAME OR ENDORSEMENTS:**

PROVIDER shall not use the name of the RECIPIENT or any other Government entity on any product or service that is directly or indirectly related to this Agreement without the prior approval of RECIPIENT.

Article 18. **PUBLIC RELEASE OF THIS AGREEMENT:**

This Agreement document is releasable to the public.

Article 19. **EFFECTIVE DATE:**

The effective date of this Agreement is the date of execution by the last to sign for the DURATION set in Article 11.

Article 20. **NOTICES:**

All notices will be sent to the Agreement administrators or their successors at the addresses shown in the PREAMBLE.

Article 21. **SURVIVING PROVISIONS:**

All the Articles of this Agreement shall survive its termination.

Article 22. **SIGNATURES:**

Accepted for PROVIDER:

I, the undersigned, am duly authorized to bind the **[NON-NAVY PROVIDER]** to this Agreement and do so by affixing my signature hereto.

Entered into this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_.  
(month)

By: \_\_\_\_\_

Name:

Title:



Accepted for RECIPIENT:

I, the undersigned, am duly authorized to bind the **[NAVY RECIPIENT]** to this Agreement and do so by affixing my signature hereto.

Entered into this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_.  
(month)

By: \_\_\_\_\_  
Name:

Title:

Naval Organization: